

**BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES**



Milk Control Bureau
1225 8th Ave.
PO Box 202003
Helena MT 59620-2003
Phone: (406) 444-2875
Fax: (406) 444-1432



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EFFECTIVE:**

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

**CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND**

**\$18.05 /CWT
\$2.03 /LB**

EFFECTIVE SEPTEMBER 1, 2010:

The minimum price to pay milk producers, under ARM 32.24.301, is \$18.05 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 20.3 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment.

The value of one pound of butterfat utilized will be \$2.03.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$16.59 /CWT

Average spray process dry milk solids

price per pound = \$1.21250
Multiplied by 8.2 x 8.2

\$9.94250

\$9.94250

Last quote of the month for Grade AA butter
minus a differential of \$.0895 =

\$1.95050

Multiplied by 4.2 x 4.2

\$8.19210

+ \$8.19210

LESS a make allowance of 8.5% (

\$18.1346 X .085)

\$18.13460

- \$1.54144

\$16.59316

Rounded to the nearest whole cent =

\$16.59 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$2.17 /LB**

Last quote of the month for Grade AA butter					
minus a differential of \$.0895	=	\$1.95050	X .111)	=	\$0.21651
Rounded to the nearest half cent				=	\$0.217

Butterfat value per pound		
for milk at 3.5% test:	\$2.17	

Hundredweight price of milk testing 3.5%		=	\$16.59
LESS 3.5 pounds of butterfat at	\$2.17	per pound	- \$7.595
Value of 96.5 pounds of skim		=	\$8.995

CLASS II VALUE OF

ONE POUND OF SKIM		8.995 / 96.5 pounds)	=	\$0.09321 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$14.12 /CWT**

3.5 pounds of butterfat	x	\$1.76	per pound =	\$6.160
96.5 pounds of skim	x	\$0.08252	per pound =	\$7.963
				<u>\$14.123 /CWT</u>

CLASS III BUTTERFAT PRICE PER POUND**\$1.76 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.95050
LESS 10%	-	\$0.19505
		<u>\$1.75545</u>

Rounded to the nearest whole cent	=	\$1.76	per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$8.25228 /CWT**

Avg. spray process dry milk solid price/lb =		\$1.21250
Multiplied by 8.2	x	<u>8.2</u>
		\$9.94250
LESS 17%	-	<u>\$1.69023</u>
		\$8.25228

Rounded to the nearest whole cent	=	\$8.25	per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$18.05 FOR 3.5% MILK 96.5 LBS = \$10.945			CLASS II SKIM PRICE BASED ON \$16.59 FOR 3.5% MILK 96.5 LBS = \$8.995			CLASS III SKIM PRICE BASED ON \$14.12 FOR 3.5% MILK 96.5 LBS = \$7.963		
Blend Prices			Blend Prices			Blend Prices		
Quota		Excess	Quota		Excess	Quota		Excess
Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58	Jan-08	\$ 20.40	\$ 18.90
Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19	Feb-08	\$ 20.56	\$ 19.06
Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29	Mar-08	\$ 19.02	\$ 17.52
Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17	Apr-08	\$ 17.40	\$ 15.90
May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49	May-08	\$ 18.37	\$ 16.87
Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66	Jun-08	\$ 17.15	\$ 15.65
Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80	Jul-08	\$ 18.35	\$ 16.85
Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.67	\$ 10.61	Aug-08	\$ 20.29	\$ 18.79
Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99	Sep-08	\$ 18.77	\$ 17.27
Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43	Oct-08	\$ 18.24	\$ 16.87
Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74	Nov-08	\$ 16.65	\$ 15.65
Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81	Dec-08	\$ 17.50	\$ 16.85
Jan-02	\$ 12.99	\$ 10.60	Jul-05	\$ 14.09	\$ 12.30	Jan-09	\$ 15.89	\$ 15.65
Feb-02	\$ 12.90	\$ 10.78	Aug-05	\$ 15.16	\$ 13.33	Feb-09	\$ 14.66	\$ 14.66
Mar-02	\$ 12.77	\$ 10.50	Sep-05	\$ 15.47	\$ 12.66	Mar-09	\$ 11.75	\$ 11.75
Apr-02	\$ 12.72	\$ 10.20	Oct-05	\$ 14.76	\$ 13.77	Apr-09	\$ 10.92	\$ 10.92
May-02	\$ 12.55	\$ 10.84	Nov-05	\$ 14.97	\$ 13.21	May-09	\$ 11.67	\$ 11.67
Jun-02	\$ 11.51	\$ 8.79	Dec-05	\$ 14.96	\$ 12.29	Jun-09	\$ 11.57	\$ 11.57
Jul-02	\$ 12.30	\$ 9.46	Jan-06	\$ 14.15	\$ 12.46	Jul-09	\$ 11.21	\$ 11.21
Aug-02	\$ 11.82	\$ 10.15	Feb-06	\$ 14.08	\$ 12.58	Aug-09	\$ 11.25	\$ 11.25
Sep-02	\$ 11.86	\$ 10.36	Mar-06	\$ 14.05	\$ 12.55	Sep-09	\$ 11.55	\$ 11.55
Oct-02	\$ 11.68	\$ 10.11	Apr-06	\$ 12.71	\$ 11.21	Oct-09	\$ 12.33	\$ 12.33
Nov-02	\$ 11.60	\$ 10.66	May-06	\$ 12.44	\$ 10.94	Nov-09	\$ 13.73	\$ 13.73
Dec-02	\$ 12.04	\$ 10.61	Jun-06	\$ 11.98	\$ 10.48	Dec-09	\$ 15.36	\$ 15.36
Jan-03	\$ 12.85	\$ 10.61	Jul-06	\$ 11.44	\$ 9.94	Jan-10	\$ 15.54	\$ 15.54
Feb-03	\$ 11.08	\$ 9.52	Aug-06	\$ 12.24	\$ 10.74	Feb-10	\$ 15.84	\$ 15.84
Mar-03	\$ 11.31	\$ 9.65	Sep-06	\$ 12.44	\$ 10.94	Mar-10	\$ 15.09	\$ 15.09
Apr-03	\$ 11.10	\$ 10.06	Oct-06	\$ 12.57	\$ 11.07	Apr-10	\$ 14.26	\$ 14.26
May-03	\$ 11.17	\$ 9.80	Nov-06	\$ 13.73	\$ 12.23	May-10	\$ 14.99	\$ 14.99
Jun-03	\$ 10.99	\$ 9.49	Dec-06	\$ 13.42	\$ 11.92	Jun-10	\$ 16.29	\$ 16.29
Jul-03	\$ 11.23	\$ 10.00	Jan-07	\$ 13.91	\$ 12.41	Jul-10	\$ 16.98	\$ 16.98
Aug-03	\$ 11.65	\$ 12.40	Feb-07	\$ 14.48	\$ 12.98	Aug-10		
Sep-03	\$ 12.58	\$ 12.67	Mar-07	\$ 14.65	\$ 13.15	Sep-10		
Oct-03	\$ 14.50	\$ 14.08	Apr-07	\$ 15.17	\$ 13.67	Oct-10		
Nov-03	\$ 14.09	\$ 12.38	May-07	\$ 16.11	\$ 14.61	Nov-10		
Dec-03	\$ 14.60	\$ 11.22	Jun-07	\$ 17.64	\$ 16.14	Dec-10		
Jan-04	\$ 14.15	\$ 10.59	Jul-07	\$ 19.84	\$ 18.34	Jan-11		
Feb-04	\$ 12.75	\$ 11.64	Aug-07	\$ 21.84	\$ 20.34	Feb-11		
Mar-04	\$ 13.15	\$ 12.48	Sep-07	\$ 22.18	\$ 20.68	Mar-11		
Apr-04	\$ 14.23	\$ 13.94	Oct-07	\$ 22.25	\$ 20.75	Apr-11		
May-04	\$ 14.45	\$ 13.95	Nov-07	\$ 21.74	\$ 20.24	May-11		
Jun-04	\$ 18.35	\$ 12.97	Dec-07	\$ 21.51	\$ 20.01	Jun-11		

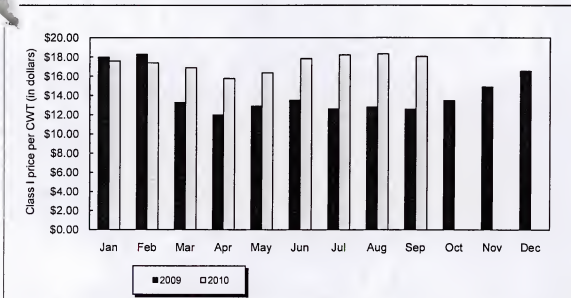
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2008 and 2009

Statistics from the Montana Milk Control Bureau

Month	2009	2010	Difference	% Change
January	\$17.98	\$17.58	(\$0.40)	-2.22%
February	\$18.29	\$17.39	(\$0.90)	-4.92%
March	\$13.27	\$16.89	\$3.62	27.28%
April	\$11.98	\$15.77	\$3.79	31.64%
May	\$12.91	\$16.35	\$3.44	26.65%
June	\$13.52	\$17.83	\$4.31	31.88%
July	\$12.63	\$18.21	\$5.58	44.18%
August	\$12.81	\$18.32	\$5.51	43.01%
September	\$12.59	\$18.05	\$5.46	43.37%
October	\$13.48	\$0.00	\$0.00	0.00%
November	\$14.90	\$0.00	\$0.00	0.00%
December	<u>\$16.54</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
Average	\$14.24	\$17.38	\$3.38	26.76%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

JULY: Class I = \$9.88; Class II = \$1.41 Class III = \$5.15; total = \$16.44

(calculations based upon utilization percentages of butterfat & skim)